



## MEMORANDUM

To: Honorable Members of the Senate Reforms, Restructuring and Reinventing Committee

From: Wendy Block, Michigan Chamber of Commerce  
Lindsay Case, Detroit Regional Chamber of Commerce  
Dawn Crandall, Home Builders Association of Michigan  
Amanda Fisher, NFIB/Michigan  
Chris Fisher, Associated Builders and Contractors of Michigan  
Linda Gobler, Michigan Grocers Association  
Dave Jessup, Small Business Association of Michigan  
Andy Johnston, Grand Rapids Area Chamber of Commerce  
Delaney McKinley, Michigan Manufacturers Association  
Justin Winslow, Michigan Restaurant Association

Date: October 9, 2013

Re: SUPPORT HBs 4949-4954

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Michigan's employer-funded unemployment insurance (UI) system provides benefits to workers who are temporarily unemployed through no fault of their own. Together, **HBs 4949-4954 is a balanced package that will** ensure that the UI system continues to provide an adequate level of benefits to employees and that UI taxes on employers are competitive and affordable.

UI fraud and the improper payment of benefits remains a significant issue that threatens the long-term solvency and integrity of the UI system. In 2012 alone, US Department of Labor (USDOL) estimates that the state improperly paid over \$134 million in benefits. Michigan's three-year improper payment rate for 2009-2012 was 9.97 percent. Recently-passed federal legislation recognized the need to ensure UI integrity and solvency and led to the legislation before you today.

Michigan job providers support HBs 4949-4954 because they work together to combat fraud, prevent improper payments, bolster solvency of the Unemployment Trust Fund (UTF) and ensure that benefits are granted to deserving individuals. The package would:

- Ensure that all improper payments are recovered in full
- Stiffen penalties for employers that consistently cause improper payments by failing to respond to Agency inquiries
- Direct the first 15% of recoveries from fraudulent benefit overpayments to the UTF
- Treat an individual who fails or refuses to take a drug test as part of an application for employment the same as an individual who refuses an offer of suitable work.

HBs 4949-4954 work together comprehensively to make sure that all actors in the UI system - employer and employee alike - are doing their part to make sure that Michigan's UI system is fair, cost-efficient and sustainable. We urge your support of this bill package.